

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 L-03 ISO-00 EURE-00 SSO-00 NSCE-00
USIE-00 INRE-00 AID-05 CIAE-00 COME-00 EB-07
FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 EPG-02 SIL-01 OMB-01 CEA-01 EA-07
NEA-10 AGR-05 /089 W
-----121834Z 067638 /44

O 121812Z MAY 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 6608
INFO USMISSION USUN IMMEDIATE
USMISSION GENEVA IMMEDIATE

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FOR L/EB STEVE BOND; TREASURY DAVID PRITCHETT; NEW
YORK FOR RICHARD SMITH; GENEVA FOR STEVE SCHWEBEL

E.O. 11652: N/A
TAGS: OECD, CIEC, EFIN, EINV
SUBJECT: CIEC FINANCE COMMISSION - FOREIGN DIRECT
INVESTMENT

REF: GANTZ/BOND TELECON EVENING OF 5/11/77

1. FOLLOWING REVISED TEXT, NOT FULLY CLEARED
WITHIN G-8, WAS DISCUSSED ORALLY IN CONTACT GROUP
MORNING OF MAY 12:

QUOTE: 6. THE PARTICIPATING COUNTRIES
IDENTIFIED THE FOLLOWING PRINCIPLES WHICH, TO THE
EXTENT ATTAINED, CONTRIBUTE TO A FAVOURABLE CLIMATE
FOR DIRECT FOREIGN INVESTMENT:

- TRANSPARENCY, THAT IS, A CLEAR DEFINITION OF
NATIONAL POLICIES, LAWS, REGULATIONS AND ADMINISTRA-
TIVE PRACTICES APPLYING TO DIRECT FOREIGN INVEST-
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MENT.
- STABILITY OR PREDICTABILITY OF
THE ABOVE POLICIES LAWS, REGULATIONS AND ADMINIS-
TRATIVE PRACTICES OF GOVERNMENTS AND THEIR
PERMANENCE. RECOGNITION OF THE RIGHTS AND INTERESTS
OF FOREIGN INVESTORS ALREADY ESTABLISHED IN THE
COUNTRY IN CASE OF CHANGES IN SUCH RELEVANT POLICIES,

LAWS, REGULATIONS, AND ADMINISTRATIVE PRACTICES.

FAIR AND EQUITABLE TREATMENT OF FOREIGN INVESTORS CONSISTENT WITH INTERNATIONAL LAW AND NO LESS FAVORABLE THAN THAT ACCORDED DOMESTIC INVESTORS OR THIRD COUNTRY INVESTORS, WHICHEVER IS THE MORE FAVORABLE. THE RIGHT OF A HOST COUNTRY TO REGULATE THE ENTRY OR EXPANSION OF FOREIGN INVESTMENT, INCLUDING PROHIBITIONS OR LIMITATIONS ON THE EXTENT OF FOREIGN INVESTMENT IN SPECIFIED SECTORS, REMAINS UNAFFECTED BY THIS OBJECTIVE.

-TIMELY AND UNRESTRICTED TRANSFER OF THE INCOME FROM INVESTMENT CAPITAL AND REPATRIATION OF CAPITAL WHEN THE INVESTMENT IS TERMINATED EXCEPT IN SO FAR AS RESTRICTIVE MEASURES OF LIMITED DURATION ARE REQUIRED BY EXCEPTIONAL BALANCE OF PAYMENTS DIFFICULTIES.

-FAIR AND EQUITABLE TREATMENT OF THE INVESTOR'S PROPERTY. IN CASE THE HOST COUNTRY DEPRIVES, DIRECTLY OR INDIRECTLY A FOREIGN INVESTOR OF HIS PROPERTY PROMPT, ADEQUATE AND EFFECTIVE COMPENSATION SHOULD BE PAID. ANY SUCH DEPRIVATION SHOULD BE EXCLUSIVELY FOR A PUBLIC PURPOSE, NONDISCRIMINATORY AND IN ACCORDANCE WITH DUE PROCESS OF LAW.

-DISPUTES BETWEEN A HOST COUNTRY AND A FOREIGN INVESTOR SHALL BE RESOLVED RAPIDLY, IN ACCORDANCE WITH THE ABOVE PRINCIPLES AND WITH THE PROCEDURAL STANDARDS CALLED FOR BY INTERNATIONAL LAW. WHERE POSSIBLE, THE

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INFO OCT-01 IO-13 L-03 ISO-00 EURE-00 SSO-00 NSCE-00
USIE-00 INRE-00 AID-05 CEA-01 CIAE-00 COME-00
EB-07 EA-07 FRB-03 INR-07 NEA-10 NSAE-00 OPIC-03
SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 OMB-01 XMB-02
AGR-05 /089 W

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PROCEDURES TO BE FOLLOWED SHOULD BE AGREED UPON BEFORE ANY DISPUTE ARISES. IN ALL CASES, ARBITRATION PROCEEDINGS AND STANDARDS SHOULD BE TRANSPARENT AND MUTUALLY SATISFACTORY TO BOTH INVESTORS AND HOST GOVERNMENT. THE IBRD'S CENTER FOR THE SETTLEMENT OF INVESTMENT DISPUTES, FOR PARTIES TO THE CONVENTION, IS AN IMPORTANT INSTITUTION IN THIS REGARD.

-FOREIGN INVESTORS SHOULD BEHAVE AS GOOD CORPORATE CITIZENS OF THE HOST COUNTRY, RESPECT THE SOVEREIGNTY AND LAWS OF THE COUNTRY HAVING JURISDICTION OVER THEM, TAKING INTO ACCOUNT THE POLICIES AND THE PRIORITIES OF THE HOST COUNTRY AND ENDEAVOUR TO CONTRIBUTE SUBSTANTIALLY TO THE DEVELOPMENT OF THE COUNTRY. IN PARTICULAR, FOREIGN INVESTORS SHOULD ENDEAVOUR CONSISTENTLY WITH SOUND COMMERCIAL PRACTICES TO CONTRIBUTE TO EXPAND EXPORTS, CREATE EMPLOYMENT, TRAIN DOMESTIC TECHNICIANS AND MANAGERS, UTILIZE LIMITED OFFICIAL USE

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DOMESTIC RAW MATERIALS AND OTHER INPUTS, FINANCE THEIR OPERATIONS WITH FOREIGN RESOURCES, APPLY MODERN TECHNOLOGY SUITABLY ADAPTED TO DOMESTIC CONDITIONS, AND IN OTHER WAYS ACT IN ACCORDANCE WITH THE INTERESTS OF THE HOST COUNTRY.

KATZ

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMITTEE MEETINGS, FOREIGN INVESTMENTS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 12-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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Disposition History: n/a
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770565/aaaacecf.tel
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Litigation Codes:
Litigation History:
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Original Previous Classification: n/a
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2548508
Secure: OPEN
Status: NATIVE
Subject: CIEC FINANCE COMMISSION - FOREIGN DIRECT INVESTMENT
TAGS: EINV, EFIN, OECD, CIEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/1ad1b695-c288-dd11-92da-001cc4696bcc
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22 May 2009
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